

**Alabama Trust Fund  
Board of Trustees Meeting  
November 18, 2021  
RSA Union Building, Suite 683**

Pursuant to public notice, a meeting of the Alabama Trust Fund Board of Trustees was held on November 18, 2021. The meeting was called to order at 10:00 AM by Mr. Boozer, Secretary. The roll was called by Secretary Boozer and recorded as follows with a quorum present.

**Present:**

Mr. Bill Poole Vice Chair  
Mr. Young Boozer, Secretary  
Mr. Daniel Hughes  
Mr. John Hornsby  
Mr. Guice Slawson, Jr  
Mr. Alvin Hope, II  
Dr. Sandra Sims-deGraffenried (via Zoom)

**Absent:**

Governor Kay Ivey, Chair  
Mr. Stacy Faison

**1. Approval of Minutes**

The first item on the agenda was the review and approval of the minutes of August 19, 2021. Upon a motion made by Mr. Hughes, and second by Mr. Slawson, the reading of the minutes was dispensed and were unanimously approved as presented.

**2. Quarterly Financial Reports**

Mr. Boozer then reviewed the quarterly financial reports. He noted the Balance Sheet as of September 30, 2021, indicates total assets of \$3.32 billion, an increase of approximately \$65.2 million from the previous quarter end. Total capital is \$3.29 billion. The Statement of Revenues and Expenditures indicates total revenues of \$93.75 million and total distributions of \$37.9 million. Oil and gas receipts for the quarter were \$10.6 million and year to date are \$32.9 million. The remainder of the financial reports were reviewed and received as information.

**3. Real Estate Portfolio Review and Recommendation**

Avery Robinson, Callan LLC, presented the real estate portfolio review. Callan recommended launching a search for two core-plus open-end funds and in the future open a search for an additional core fund to replace UBS as more capital returns. As requested, Callan will provide additional comparison long-term information on core-plus open end and closed end funds at the next meeting. After further discussion the motion was made to issue an RFP in search of core-plus open-end funds and closed-end funds with the fund type to be determined after review of requested data at the next meeting. Upon a motion made by Mr. Hughes and a second by Mr. Hornsby the motion unanimously passed.

**4(a). Quarterly Performance - ATF**

Ms. West, Callan LLC, presented the quarterly investment performance measurement report and market overview. Asset allocation was within rebalancing ranges. The portfolio had an underweight to real estate. The return for the quarter was 49 bps beating the benchmark by 55 bps. Ms. West noted the managers added value. The one-year return was a positive 19.66 percent. Ms. West then reviewed the returns by manager.

### **5(a). Watch List Review**

On the watch list, Ms. West made the recommendation for Heitman, Algert, and Mellon to remain on the watch list. The Board then discussed the Intech presentation from the previous meeting as well as Intech's current performance. Upon a motion made by Mr. Hornsby, and a second by Mr. Hughes, the watch list was approved with Intech remaining on the list until November 2022.

### **5(b). Hedging Strategies Overview**

Ms. West noted that there was a question at the last meeting about hedging strategies to prevent significant downturn in the market. Callan's capital markets research team reached out to several managers with experience in those strategies and an informational call was held with the Investment Committee to discuss. After general discussion of the strategies, the Board decided to not pursue these strategies at this time due to the high expenses associated with implementation.

### **5(c). Virtual Meeting Resolution**

Mr. Boozer presented the Board with a Resolution to support legislation related to virtual meetings. This resolution states the Board supports legislation allowing the Board or any committee established by the Board to meet by means of telephone conference, video conference or other similar communications. This allows all members of the Board or committees to participate and constitute presence in person for all purposes including the establishment of a quorum. Upon a motion made by Mr. Poole and a second by Mr. Hornsby, the resolution unanimously passed.

### **6(a). Quarterly Performance - CMT**

Ms. West then reviewed the CMT fund quarterly performance. For the quarter, the fund was down 36 bps and trailing the benchmark by 26 bps. The one-year number is positive 18.25 percent beating the benchmark by 91 bps. Ms. West noted the new asset allocation mix has shown beneficial to the portfolio.

### **7(a). Governor's Commendation - Pruitt**

Under Other Business, Mr. Boozer presented the Board with a Governors Commendation honoring Edgar Pruitt's service to the Board.

### **7(b). Mellon Investment Sub-Advisor Appointment Disclosure**

Mr. Boozer also presented the Board with an informational memo regarding Mellon's organizational changes.

Lastly, Mr. Boozer disclosed to the Board his personal investment relationship with Mr. Hughes and a small investment with Vulcan. Mr. Boozer stated he will hold these investments and not make any changes to these investments. He will also report to the Board on a Semi-annual basis to disclose that no changes have been made. Mr. Hughes also disclosed that he and the Treasurer are invested in BSR Reit, a publicly traded company, and neither of them have any control of the entity.

There being no other business, the meeting was adjourned.

Approved on March 3, 2022.

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Bill Poole, Vice Chair

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Young Boozer, Secretary

**Resolution of the  
Alabama Trust Fund Board of Trustees**

**Topic: Supporting Legislation Related to Board Meetings**

**WHEREAS**, the Alabama Trust Fund was created in 1985 by Amendment 450 to the Constitution of the State of Alabama as an irrevocable, permanent trust fund, “for the continuing benefit of the State of Alabama and the citizens thereof,”; and,

**WHEREAS**, the Alabama Trust Fund is under the management and control of its Board of Trustees who are empowered to take such actions as necessary, “to accomplish any purpose for which the trust fund was created;” and,

**WHEREAS**, members of the Alabama Trust Fund Board of Trustees are appointed from broad geographic areas of the State and, pursuant to Amendment 450 Section 3(d), shall have recognized competence and experience in the evaluation and management of investments thereby making it prudent to streamline their time commitment to provide for optimal participation in meetings of the Board. This can be accomplished by using telephone or video conference or similar communications equipment; and,

**WHEREAS**, pursuant to Amendment 450 Section 3(f), a majority of the trustees shall constitute a quorum for the transaction of business by the board, and decisions shall be made on the basis of a majority of the quorum then present and voting, with each trustee to have a single vote; and,

**NOW, THEREFORE, BE IT RESOLVED**, that the Alabama Trust Fund Board of Trustees supports legislation that members of the Alabama Trust Fund Board of Trustees or any committee established by the Board may participate in a meeting of the board or committee by means of telephone conference, video conference or similar communications equipment by means of which all persons participating in the meeting may hear each other at the same time. Participation by such means shall constitute presence in person at a meeting for all purposes, including the establishment of a quorum. Notice of such meetings must be given in accordance with the *Alabama Open Meetings Act* and such telephone or video conference or similar communications equipment shall also allow members of the public the opportunity to simultaneously listen to or observe such meetings.